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9 September 1958

MEMORANDUM FOR THE RECORD

SUBJECT: Minutes of Meeting of IAC Working Group on Foreign, Positive,  
Strategic Intelligence on 9 September 1958

1. The first meeting of the IAC Working Group was held on

9 September 1958 at 10:00 a.m. Those present were:

Mr. E. R. Saunders, Chairman  
Mr. Austin Nisonger, State  
Mr. Earl Churchill, State  
Mr. H. W. Griffin, State  
Lt. Col. Ray C. Lewis, Army  
Col. Harlan K. Holman, Army  
Lt. Commander William Novak, Navy  
Lt. Col. Carl C. Machemer, Air Force  
Mr. William A. Smith, Office of Secretary of Defense —  
Col. George Perry, Joint Staff

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Chief, Budget Division, CIA  
O/DDC, CIA

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☐ It contains nothing of CIA interest

Date \_\_\_\_\_ Reviewer \_\_\_\_\_

The members from Atomic Energy Commission and the Federal Bureau of  
Investigation were not present.

2. Mr. Saunders stated that because there are wide variations in the  
estimates from year to year, this committee has been appointed to review  
this subject and to come up with a more meaningful criteria on which to  
base this report. The committee is also responsible for setting up guide-  
lines in order that the preparation of the report from each agency will  
be uniform. These reports are used by the Bureau of the Budget, the  
President's Board of Consultants on Foreign Intelligence Activities and  
the House Appropriations Committee.

3. Mr. Nisonger raised the question of the basic problem being  
the pricing-out of the activity or whether everything is included in the  
report. [redacted] replied that the Bureau of the Budget did have a list of

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definitions. The Bureau of the Budget in 1954 made a quick survey of all agencies and came to a series of criteria for the various agencies which were discussed with each agency pro and con. There were some changes made after the first discussions. The criteria is fairly clear but the problem is that in a great majority of this activity, there is no accounting spot at all.

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4. [ ] stated that we would have to convince the people using these figures that they are only estimates. The Chairman stated that it is up to this committee to get together and agree on a uniform way to arrive at these figures and therefore, not be dictated to as to how to do this.

5. The subject of this report was discussed at some length and it was informally agreed that the title should be Foreign Intelligence. Also, the the wording of subject of/costs and obligations in this report is not consistent. Dr.

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[ ] suggested that the title be "Intelligence on Foreign Areas Relating to the National Security". Mr. Churchill feels that State Department thinks the definitions are very broad.

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6. [ ] brought out the fact that, because of rotation of personnel in agencies and the Bureau of the Budget, there is no consistency from year to year. Mr. Saunders stated that one purpose of this report was for the Bureau of the Budget to compare the costs of intelligence.

7. Mr. Saunders suggested that perhaps this report be prepared for the previous year rather than the present year and could be submitted to the Bureau of the Budget in October or November of each year. In this way, the costs could be used rather than costs for part of the year and obligations for the rest of the year.

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8. Mr. Saunders suggested that at the next meeting we have a representative of the Bureau of the Budget and a representative of the President's Board of Consultants on Foreign Intelligence Activities (Mr. Cassidy) and have an opportunity to ask questions to them directly.

9. Prior to the next meeting, a copy of the Instructions as Per Covering Letter on Estimated Fiscal Year 1958 Foreign Intelligence Costs Report will be distributed to each member of the working group.

10. The next meeting was scheduled for Thursday, 18 September 1958, at 10:00 a.m. in East Building Conference Room.

E. R. SAUNDERS  
Chairman

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